



Board Meeting November 21, 2013

Meeting Location: 10873 S. Bacchus Hwy (U-111) South Jordan, UT 84095

Attending:

Kane Loader, Chairman – Midvale City
Brent Bennett – Riverton City
Russ Kakala – Murray City
Steve Siddoway – Draper City

Dave Newton, Vice Chairman – West Jordan City
Rick Smith – Sandy City
Gary Whatcott – South Jordan City

Paul Browning – Sandy City

James Scott – Treasurer

Brenda Bingham - Secretary

Also Attending:

Dwayne Woolley – General Manager
Steve Elms – Board Auditor

Craig Hall - Counsel

Teresa Gray – SLCoHD

Phil Markham – ACE Disposal

Heidi Thorne - NAVITUS (partial attendance)

Absent:

N/A

1 & 2 Welcome, Roll Call, and Approval of October 2013 Meeting Minutes

Kane Loader called the meeting to order at 7:30 a.m. and welcomed everyone in attendance. Roll Call was taken and noted above for attendance. The public was given an opportunity for comments however none were given.

Kane called for a motion or discussion on the October 2013 Minutes. No comments were made nor were changes recommended. *Brent Bennett* made a motion to approve the minutes of October 2013 and *Russ Kakala* seconded the motion. The motion passed unanimously.

3 Navatus Presentation

Rick Smith started the presentation regarding the Sandy City Waste to Energy Facility assisted by *Paul Browning*. Rick explained that Sandy City did a feasibility study for a transfer station at which time they were approached by Navitus for a renewable energy project. Sandy City and Navitus have now entered a lease agreement wherein there are many protections for the city in the event the project fails at which time Sandy will own whatever is built. The technology that they are looking at using is pyrolysis which is a form of gasification. The system will be modular with eight units. The facility will begin with 500 tons of waste per day from Sandy City and possibly others, and it will work up to taking larger amounts of waste. It is a single bin system which will

replace the current two can (waste and recycling) system that is currently in place. The waste will be sorted to remove the recyclables, which will net more recyclables than the existing system. Once the recyclables are recovered the material that can't be processed in the system or recycled will be taken to the landfill (rocks, glass and dirt). The materials to be processed will be sorted by BTU level. The total pollution generated by the facility will be under 25 tons per year which is equivalent to 12 buses per year. The output of the electricity is a 24/7 day a week process. Paul noted that the estimates are that the system will produce 10 megawatts of power. Rick said that Trans-Jordan members will not pay more than \$9 per ton. It will be \$10 per ton plus the SLCoHD fee and then a rebate of \$2 per ton at the end of the year. All Trans-Jordan members will pay the same price (Sandy City will receive a host fee). Commercial fee will be \$20 per ton for 20 years unless it is less than one ton. Citizen fees will be similar and flat for 20 years. Heidi Thorne from Navitus joined the meeting and answered questions. The facility will employ 38 full time Navitus employees (not Sandy City employees). This is a Navitus project which is leasing the ground from Sandy City. The original plan was to break ground in November 2013 however, when the technology was changed (from gasification to pyrolysis) everything had to be resubmitted to the state which will take up to 180 days. The current plan is to break ground sometime in the spring of 2014 with a 15 month construction timeline. Craig Hall inquired about the DEQ Air Quality permit and Navitus said that they have completed their part of the modeling and the facility would be a minor source. Dave asked about the price received for electricity and Heidi said that they are working on that portion. Rick noted that if it was only dependent on the revenue from the electricity it would not be viable but with all the other items it makes the project possible. The question was asked about the location of the closest similar plant to Utah. Rick said that there are several worldwide, most of them in Europe. There are plants in the United States which are a lot smaller and not the same magnitude. The question was asked about where the 500 tons of material a day would come from, Rick said that Sandy City's portion will be about 350 tons a day (including recyclables). Dwayne noted that there are 600 companies right now in the US trying to do similar projects and are not able to do it on the same scale that this facility plans to do. Rick said that it is always good to be the first. Heidi said that it is supply and demand that makes this facility viable. The technology has been proven in the past and that the problem was been with the demand. Heidi also spoke about the feed stock that is consistent which helps. Discussion regarding the process was held. Rick noted that even if the project fails, the building will be Sandy City's free and clear and if it does well the building will still be Sandy's after 50 years. Brent asked what the maximum capacity of the facility will be to which the answer is 2,500 tons per day which would increase the megawatts produced to around 20. All loading and unloading of trash will be indoors. Kane asked about the drying process which will be a process similar to thermal drying. No other questions were asked.

4 Financial Report

James Scott reported on the following:

October 2013 Financial Reports – James reviewed the financial statements noting that the bulk of the expenses thus far is for the construction of the cell and all other expenses are where they should be at this point in the fiscal year. Right now depreciation is not yet reported on the software system. The Supplemental Report was also reviewed which shows the purchase of the new salter, plow and pressure washer. At this point we are well within our budget. No questions were asked.

5 Legal Issues

Craig Hall reported on the following:

Legislative Review -- Craig noted that there may be some legislative issues at the capital that we may need to watch according to their titles. There are no specifics yet but the Board will be kept informed.

Winter Social – Craig reminded the Board that the Winter Social will be held at his home on January 24th.

6 General Manager's Report

Dwayne Woolley reported on the following:

Holiday Closing Hours – We anticipate closing at 4:00 p.m. each day on both Christmas Eve Day and New Year's Eve Day.

Emerging Technology Conference Report – Dwayne and Dave Newton attended the Emerging Technology Conference in Florida. Dave gave a report on the conference noting that gasification does work but at this time no one is doing the volume that we need to do with MSW. The closest would be the Edmonton Canada facility which has been delayed a few times and has not yet started. Edmonton is going to do selected MSW processing at a fee of \$50 - \$60 per ton. Dave spoke about the information given regarding the gasification process and the need for correct feed stock. They did visit a plant that was very successful but they only accepted greenwaste. The comments at the conference is that the price does need to be at least around \$30 per ton to make a process viable. Rick said that Navitus has penciled it out and they predict that the building and everything should pay for itself in ten years. Dave said that everyone is hoping that it does work for \$10 per ton because that would be great. Rick noted that with the three sources of revenue it is viable but if not Sandy will get the building for a transfer station. Dwayne noted that if it does work there will still be a need for the landfill to take the residual. The question was asked about residential disposal at the Sandy facility. Rick noted that the public will have the opportunity to come in any day of the week but they will be trying to focus on getting the residents to come on Saturdays because they will be sharing the facility with haulers. Rick also noted that other cities do not need to go to a single stream system to use the Navitus facility, they can keep their second can if they wish. The new word that is being used for the type of system they are promoting is "Repurposing" because some people have issues with the process being labeled as recycling. Dave said that if it is a viable system then it can all be a single stream system because one of the biggest costs for disposal is transportation.

Verizon Contract – Dwayne reminded the Board about the land lease contract that we have been working on with Verizon. The yearly payments are an average for what VERIZON pays our member cities for cell towers.

South Jordan Debris Management Contract – South Jordan is being proactive and has put together a debris management plan in case of an emergency. We have put together an agreement designating a holding area in an emergency. Dwayne asked if we need to have an agreement for each of the member cities for FEMA. Craig said that we can do a policy for each city but because of the issues with FEMA it should be done in contract form. The Board discussed the issue and Craig will work on a contract for each city or will create a multi city contract. Paul asked if we have an emergency action plan at the landfill. Dwayne noted that we have been working on one similar to South Jordan's but it is not finalized yet. Sandy's is finalized and with this contract South Jordan's will be finished.

PCC Failure – Previously we reported to the Board that the PCC has a concrete pad failure and needed to be repaired. The repairs are nearly complete and we estimate it should be in the range of \$10,000.

Granger Well Payment – We have worked out the costs of what portion of the well system should be paid for by Granger. Since we essentially drilled some wells twice we will receive a \$31,900 payment for the duplication. This payment will either go back to the expense line item or will be reported as additional income. In addition, we are working on a waste heat utilization project with Granger that will generate another ½ megawatt in power. This project will be paid for by the third party working with Granger. We may have to get involved with a sublease to give them the right to put facilities on the Granger leased property.

Water Tank Demolition – Due to the placement of the VERIZON cell tower we will need to take down the Water Tank. We requested bids for the demolition and chose the bid with a \$0.00 cost (they will recycle the steel for their payment) vs the other bid which was \$8,000 and they also retained the steel.

KUC Plans – Kennecott has agreed to place in their master plan for this area to plan for a light industrial area to

123 the south of the landfill rather than housing. With this change KUC is looking at taking over the South Valley
124 property and asked if we would be alright with relocating the composting facility if they pay the costs. Dwayne
125 agreed. Kane asked if they are working with South Valley and Dwayne did not know if they are that far yet.
126 *Legislative Breakfast* – We will be holding the annual Legislative Breakfast here on Thursday, January 9th at 8:30
127 a.m.

128 **7 Resolution #13-06, Accepting the 2014 Meeting Schedule**

129 Dwayne reviewed Resolution #13-06 which is the 2014 meeting schedule. The meeting dates and time remain
130 on the third Thursday of the month with the exception of January which has been moved back one week and no
131 meeting in July. If needed, we can cancel other months as we have done in the past with the appropriate
132 notices.

133 *Gary Whatcott* made a motion to pass Resolution #13-06 and *Dave Newton* seconded the motion

134 **Roll Call Vote:**

135 Midvale City -	Yes
136 Sandy City -	Yes
137 Riverton City -	Yes
138 Murray City -	Yes
139 Draper City -	Yes
140 West Jordan City -	Yes
141 South Jordan City -	Yes

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143 **8 Resolution #13-07, Designation of a Board Member and Alternate to the USAD Board**

144 Dwayne discussed the resolution which appoints the General Manager as a Board Member to the UASD (Utah
145 Association of Special Districts) Board with the Chairman as the Alternate Board Member.

146 *Dave Newton* made a motion to pass Resolution #13-07 and *Gary Whatcott* seconded the motion.

147 **Roll Call Vote:**

148 Midvale City -	Yes
149 Sandy City -	Yes
150 Riverton City -	Yes
151 Murray City -	Yes
152 Draper City -	Yes
153 West Jordan City -	Yes
154 South Jordan City -	Yes

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156 **9 Resolution #13-08, Revision of the Drug and Alcohol Policy**

157 Dwayne noted that the revised policy was reviewed with the Board last month and further comments were
158 taken through email. The effective date of the policy is December 1, 2013 and will be rolled out to the
159 employees at the same time. Craig commented that the new policy is significantly improved.

160 *Brent Bennett* made a motion to pass Resolution #13-08 and *Paul Browning* seconded the motion.

161 Roll Call Vote:

162	Midvale City -	Yes
163	Sandy City -	Yes
164	Riverton City -	Yes
165	Murray City -	Yes
166	Draper City -	Yes
167	West Jordan City -	Yes
168	South Jordan City -	Yes

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170 **10 Resolution #13-09, Revised Fee Schedule**

171 Dwayne reviewed Resolution #13-09 which revises the Fee Schedule effective January 1, 2014. SLVSWMF is still
172 planning on raising their rates effective January 1, 2014 but we will not be matching their gate fees. In addition,
173 we have added a \$24.00 per ton fee for oversized stumps. Davis County stockpiles all large stumps and brings in
174 a vendor once or twice a year to shear the stumps so they can be used as compost stock and not go into the
175 landfill. We are going to try this process as it will save wear and tear on our equipment. The Fee Schedule also
176 provides a separate price on the double screened compost. The acceptance of HHW on a commercial basis has
177 also been added. We will take this waste as CESQG. Our member cities fall under this category for HHW type
178 material. The Fee Schedule refers to these fees being set by SLCoHD. The gate fee will be raised for MSW from
179 \$26 to \$28 per ton.

180 *Gary Whatcott* made a motion to pass Resolution #13-09 effective January 1, 2014 and *Rick Smith* seconded the
181 motion.

182 Roll Call Vote:

183	Midvale City -	Yes
184	Sandy City -	Yes
185	Riverton City -	Yes
186	Murray City -	Yes
187	Draper City -	Yes
188	West Jordan City -	Yes
189	South Jordan City -	Yes

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191 **11 Resolution #13-10, VERIZON Contract**

192 Dwayne reviewed the basics of the VERIZON Contract with the Board. The contract is for an initial five (5) years
193 with the ability for an incremental extension of five years a piece for a total of 20 additional years. It is an
194 automatic renewal for VERIZON with the ability to cancel; however, we cannot cancel so it is essentially a 25
195 year contract on our part. The tower will initially be for VERIZON but they could probably work with other
196 carriers to use it as well. The Board discussed the contract.

197 *Dave Newton* made a motion to pass Resolution #13-10 and *Russ Kakala* seconded the motion.

198 Roll Call Vote:
199 Midvale City - Yes
200 Sandy City - Yes
201 Riverton City - Yes
202 Murray City - Yes
203 Draper City - Yes
204 West Jordan City - Yes
205 South Jordan City - Yes

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207 **12 Resolution #13-11, South Jordan Debris Management Contract**

208 A discussion regarding this contract was held earlier in the meeting.

209 *Rick Smith* made a motion to pass Resolution #13-11 with the condition that this contract is either negated and
210 canceled or combined with other cities contracts sometime in the future, *Brent Bennett* seconded the motion.

211 Roll Call Vote:
212 Midvale City - Yes
213 Sandy City - Yes
214 Riverton City - Yes
215 Murray City - Yes
216 Draper City - Yes
217 West Jordan City - Yes
218 South Jordan City - Yes

219 **13 Open Meetings Training**

220 Craig Hall reviewed the Open Meetings Training with the Board in compliance with State Law.

221 **14 Chairman's Issues**

222 Kane Loader had no further items to discuss.

223 *Gary Whatcott* made a motion to adjourn the meeting.